

[19th August 1925]

Order—No. 942, Development, dated 30th June 1925.

Recorded.

With reference to paragraph 2 of the Accountant-General's Endorsement No. Nii. 4-111, dated 21st May 1925, the Director is requested to report what reduction is possible in the establishment sanctioned for the Institute in G.O. No. 650, dated 1st May 1925.

(By order of the Government, Ministry of Development)

G. T. H. BRACKEN,
Secretary to Government.

To the Secretary, Legislative Council (for placing the order on the Council table).



APPENDIX XII.

[Vide item IV (1) Communications to the Council on page 219 supra.]

G.O. No. 946, Development, dated 3rd July 1925.

READ—the following papers:

I

Letter from Dr. B. SUNDARA RAJ, M.A., PH.D., Director of Fisheries, to the Secretary to Government, Development Department (through the Accountant-General), dated Madras, the 4th May 1925, Ref. No. 99-P/25-3.

[Cannery—Accounts—Audit report for the quarter ending 31st December 1924.]

I have the honour to forward herewith a copy of letter, dated 24th March 1925, received from Messrs. Fraser & Ross, Commercial Accountants and Auditors to the Government, and the enclosures received therewith regarding the audit of the accounts of the Government Fisheries Cannery for the quarter ending 31st December 1924. Reduced production during the period led to the loss of Rs. 699-11-11. The sales did not show any improvement over the previous quarter.

2. As regards the suggestion contained in the last sentence of paragraph 2 of Messrs. Fraser & Ross's letter referred to above, I have dealt with it in my letter No. 1046-P/24-36, dated 30th April 1925. In the circumstances explained in my letter quoted, further reduction in the Cannery establishment does not seem possible.

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ENCLOSURE

Letter from Messrs. FRASER & Ross, to the Director of Fisheries,
dated Madras, the 24th March 1925.

[Government Fisheries Cannery, Chaliyam—Accounts for the quarter
ending 31st December 1924.]

We have the honour to enclose herewith the balance sheet of the above as at 31st December 1924, in duplicate, together with the relative production, trading and profit and loss accounts for the quarter ending that date, one copy of which please forward to the Secretary to Government, Development Department.

2. Book figures have been accepted for stocks of raw materials and finished goods. The remarks in paragraph 1 (d) of our report, dated the 4th July 1924, on the accounts to 31st March 1924 still hold good, and there is still a tendency for the stocks to increase. We understand from the Superintendent that a recommendation has been made to Government to stop manufacture temporarily as from 1st April 1925 till the stocks have been disposed of. In case the Government decide to cease manufacture temporarily (and we consider that this would be a wise policy), we suggest that the whole establishment should be reduced to one man to attend to sales and accounts and another to clean and keep the machinery in running order.

3. Direction and audit charges as per instructions from the Accountant-General will be adjusted in the accounts of the current quarter.

4. We are not submitting a separate report to Government on these accounts.

5. Kindly acknowledge receipt of the enclosures.

(19th August 1925)

GOVERNMENT FISHERIES CANNERY, OHALIYAM

Balance Sheet as at 31st December 1924.

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Reserve for bad and doubtful debts.	279 15 0	Cash and other balances—
Loans and advances—				With Treasury, Calicut,
Advances repayable—	..	1,000 0 0		No. II account, ..
Civil advances.				With Treasury, Calicut,
Add Reserve for interest due.	..	2 8 0		No. I account, ..
Liabilities—				Cash on hand, ..
For purchases ..	..	580 1 0		Service stamps, ..
For Europe stores ..		4,617 6 0		..
For expenses ..		1 10 0		Profit and Loss account—
For customers' credit ..		1 4 7 0		Loss for the quarter ending 30th June 1924.
balances.				Loss for the Quarter ending 30th September 1924.
				Loss for the quarter ending 31st December 1924.
			6,113 8 0	
				1,18,126 6 1



Examined and found correct.

FRAZER & ROSS,
Chartered Accountants,
Government Accountants and Auditors to the Govt. of Madras.
MADRAS,
24th March 1925.

APPENDIX

[19th August 1925]

(ii)

Production Account for the quarter ending 31st December, 1924.

RS.	A.	P.	RS.	A.	P.
To Opening stock—					
Raw materials	10,844	4 5			
Empty cans	1,105	0 0			
Guano	4	0 0			
Prawn shells	6	0 0			
Fish oil	5	0 0			
Soldiersticks	86	4 0			
			12,050	12 6	
Purchases—					
Fish for canning	249	9 1			
Raw materials including condiments for by-industry and packing materials	5,647	3 3			
			6,296	12 4	
Manufacturing wages	...				
Salaries—					
Mechanic	114	0 0			
Canning overseer	108	0 0			
Stores clerk—half-pay	57	0 0			
Superintendent—one-third	100	0 0			
			379	0 0	
Repairs	3	0 0			
Depreciation on tools	25	8 0			
			19,429	16 10	
By Sundry sales—					
Value of canned fish produced	12,331	1 3			
Closing stock	1,303	15 10			
Raw materials	4	4 0			
Empty cans	5	4 0			
Guano	6	0 0			
Prawn shells	5	0 0			
Fish oil	5	0 0			
Soldiersticks	55	2 0			
Carry powder	30	0 0			
Lobster sauce	10	8 0			
			13,746	16 1	

(iii) *Trading Account for the quarter ending 31st December 1924*

	R.S.	A.	P.	R.S.	A.	P.
To Opening stock—						
At Chaliyam and other places ..	54,821	4	3			
Packing materials ..	315	2	0			
	56,136	6	3			
,, Canned fish as per production ..	5,627	5	2			
	58,432	12	9			
By Sales—						
Less Returns inward					
	5,116	9	7			
	270	14	0			
	58,432	12	9			

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,, Selling expenses—			
Railway freight	58 16 0
Petty coolie	13 14 9
Postage and telegrams	652 13 6
Advertisement charges ..	..	..	2393 12 0
Salaries ..	..	..	347 8 0
Commission and discount ..	..	..	310 4 7
Travelling expenses ..	..	..	8 10 0
			<u>1,686 18 10</u>
,, Balance transferred to Profit and Loss account.	..	..	1,349 13 1
			<u>63,799 6 4</u>

(iv)

Profit and Loss Account for the quarter ending 31st December 1924.

	RE. A. P.	RS. A. P.	RS. A. P.
To Establishment ..	246 8 0	By Balances transferred from Trading ..	1,349 13 1
,, Printing and stationery ..	36 4 1	,, account.	26 13 1
,, Miscellaneous expenses ..	801 8 0	,, Miscellaneous receipts ..	693 11 11
,, Share of direction expenses ..	105 0 0	,, Net loss carried to balance sheet ..	..
,, Audit fee ..	200 0 0		
,, Contribution for leave and pension allowances.	233 4 0		
,, Reserve for interest on the loan ..	2 8 0	1,627 0 1	
,, Depreciation on—			
Buildings ..	139 8 0		
Plant and machinery ..	291 14 0		
Furniture ..	18 0 0	449 6 0	
			<u>2,076 6 1</u>

N.B.—Interest for the quarter on the capital of Rs. 1,10,199-14-7 at 6 per cent per annum is Rs. 1,378.

[19th August 1925]

II

*Endorsement of the Accountant-General, No. H.A. Comml. 8/670,
dated the 21st May 1925.*

Forwarded.

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3. The attention of Government is invited to the observations made by the auditors in paragraph 1 (d) of their report on the accounts of the cannery for nine months ending 31st March 1924 printed on pages 2 and 3 of G.O. No. 2044, Development, dated 28th November 1924. Although no improvement in sales has been effected since, raw materials, etc., to the extent of Rs. 6,296-12-4 were purchased during the quarter under report. The necessity for large purchases of raw materials and for increasingly large stocks of the manufactured goods deserves observation especially when they are not accompanied by increased sales. Information as to the quantity of each class of canned goods manufactured and sold during each of the quarters since 1st April 1924 may perhaps be called for.

4. It is also suggested that Messrs. Fraser & Ross be requested to give particulars in their audit reports, if possible, as to the quantity and the cost of production of each of the different classes of canned fish with their sale price so that it may be easily ascertained which sort results in the greater loss.

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J. C. NIXON,
Accountant-General.

To the Secretary to Government, Development Department.

Order—No. 946, Development, dated 3rd July 1925.

Recorded.

2. Orders have already issued in G.O. No. 446, Development, dated 27th March 1925, directing the suspension of operations at the cannery during the off-season, April to September 1925, and the reduction of a portion of the staff. The question of further reduction in the strength of the staff is under the consideration of Government.

3. The Director is requested to submit a report on the points raised in paragraph 3 of the Accountant-General's endorsement.

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4. Messrs. Fraser & Ross are requested to give particulars in their audit reports, if possible, as to the quantity and the cost of production of each of the different classes of canned fish with their sale prices.

(By order of the Government, Ministry of Development)

G. T. H. BRAKEN,
Secretary to Government.

To the Secretary, Legislative Council Office.

APPENDIX XIV.

[Vide item IV (i) Communications to the Council on page 219 supra.]

G.O. No. 955, Development, dated 3rd July 1925.

READ—the following :—

